

GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2005 REGULAR SESSION

HOUSE BILL NO. 460
WEDNESDAY, FEBRUARY 23, 2005

The following bill was reported to the Senate from the House and ordered to be printed.

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY

AN ACT relating to the Kentucky educational excellence scholarship program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

- Section 1. KRS 164.7874 is amended to read as follows: 1
- As used in KRS 164.7871 to 164.7885: 2
- "Academic term" means a semester or other time period specified in an 3
- administrative regulation promulgated by the *authority*[council]; 4
- "Academic year" means a period consisting of at least the minimum school term, as 5 (2)
- defined in KRS 158.070; 6
- "ACT score" means the composite score achieved on the American College Test at 7 (3)
- a national test site on a national test date or an equivalent score, as determined by 8
- the authority council, on the Scholastic Assessment Test; 9
- "Authority" means the Kentucky Higher Education Assistance Authority; 10 (4)
- "Award period" means two (2) consecutive academic terms; (5) 11
- "Base scholarship amount" means that amount earned by an eligible high school 12 (6)
- student pursuant to KRS 164.7879 in each academic year as determined by the 13
- grade point average earned and reported by the high school at the end of the 14
- academic year; 15
- "Council" means the Council on Postsecondary Education created under KRS (7) 16
- 164.011; 17
- "Eligible high school student" means any person who: 18
- Is a citizen, national, or permanent resident of the United States and Kentucky 19 (a)
- resident: 20
- (b) Was enrolled after July 1, 1998: 21
- In a Kentucky high school for at least one hundred forty (140) days of 22 1.
- the minimum school term unless exempted by the authority's executive 23
- director upon documentation of extreme hardship, while meeting the 24
- Kentucky educational excellence scholarship curriculum requirements, 25

1				and	was enrolled in a Kentucky high school at the end of the academic
2				year;	or
3			2.	In a	Kentucky high school for the fall academic term of the senior year
4				and	who:
5				a.	Was enrolled during the entire academic term;
6				b.	Completed the high school's graduation requirements during the
7					fall academic term; and
8.				c.	Was not enrolled in a secondary school during any other academic
9					term of that academic year; and
10			3.	Has	a grade point average of 2.5 or above at the end of any academic
11				year	beginning after July 1, 1998, or at the end of the fall academic term
12				for a	student eligible under subparagraph 2. of this paragraph; and
13		(c)	Is no	ot a co	nvicted felon;
14	(9)	"Eli	gible p	ostse	condary student" means a citizen, national, or permanent resident of
15		the	Unite	d Sta	tes and Kentucky resident, as determined by the participating
16		insti	tution	in ac	cordance with criteria established by the council for the purposes of
17		adm	ission	and t	uition assessment, who:
18		(a)	Earn	ied a l	Kentucky educational excellence scholarship base, supplemental, or
19			base	and s	upplemental final award;
20		(b)	Has	the re	quired postsecondary G.P.A. required under KRS 164.7881;
21		(c)	Has	remai	ning semesters of eligibility under KRS 164.7881;
22		(d)	Is en	rolled	l in a participating institution as a part-time or full-time student; and
23		(e)	Is no	ot a co	nvicted felon;
24	(10)	"Ful	ll-time	stude	ent" means a student enrolled in a postsecondary program of study
25		that	meet	s the	full-time student requirements of the participating institution in
26		whi	ch the	stude	nt is enrolled;
27	(11)	"Gra	ade po	int av	verage" means the grade point average earned by an eligible student

and reported by the high school or participating institution in which the student	was
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- 2 enrolled based on a scale of 4.0 or its equivalent if the high school or participating
- institution that the student attends does not use the 4.0 grade scale;
- 4 (12) "High school" means any Kentucky public high school, and any private, parochial,
- or church school located in Kentucky that has been certified by the Kentucky Board
- of Education as voluntarily complying with curriculum, certification, and textbook
- standards established by the Kentucky Board of Education under KRS 156.160;
- 8 (13) "KEES" means Kentucky educational excellence scholarship;
- 9 (14) "KEES curriculum" means five (5) courses of study, except for students who meet
- the criteria of subsection (8)(b)2. of this section, in an academic year as determined
- in accordance with an administrative regulation promulgated by the
- 12 authority[council];
- 13 (15) "Kentucky educational excellence scholarship" means a scholarship provided under
- 14 KRS 164.7871 to 164.7885;
- 15 (16) "Kentucky educational excellence scholarship trust fund" means the Wallace G.
- Wilkinson Kentucky educational excellence scholarship trust fund;
- 17 (17) "Maximum award amount" means the sum of the base scholarship amount earned
- by an eligible high school student in each academic year of high school study plus
- any supplemental award earned by an eligible high school student or earned
- pursuant to KRS 164.7879(3)(c). The amount so determined shall be the maximum
- amount available to the eligible postsecondary student for any award period;
- 22 (18) "Participating institution" means an "institution" as defined in KRS 164.001 that
- actively participates in the federal Pell Grant program, executes a contract with the
- 24 authority on terms the authority deems necessary or appropriate for the
- administration of its programs, and:
- 26 (a) 1. Is publicly operated; or
- 27 2. Is licensed by the Commonwealth of Kentucky and has operated for at

1		least ten (10) years, offers an associate of baccaraureate degree program
2		of study not comprised solely of sectarian instruction, and admits as
3		regular students only high school graduates or recipients of a general
4		equivalency diploma or students transferring from another accredited
5		degree granting institution; or
6		3. Is designated by the <u>authority[Council on Postsecondary Education]</u> as
7		an approved out-of-state institution that offers a degree program in a
8		field of study that is not offered at any institution in the Commonwealth;
9		and
10		(b) Continues to commit financial resources to student financial assistance
11		programs;
12	(19)	"Part-time student" means a student enrolled in a postsecondary program of study
13		who does not meet the full-time student requirements of the participating institution
14		in which the student is enrolled and who is enrolled for at least six (6) credit hours
15		or the equivalent for an institution that does not use credit hours; and
16	(20)	"Supplemental award" means commitment of scholarship funds under KRS
17		164.7879(3).
18		Section 2. KRS 164.7877 is amended to read as follows:
19	(1)	There is established in the State Treasury a permanent and perpetual fund to be
20		known as the "Wallace G. Wilkinson Kentucky Educational Excellence Scholarship
21		Trust Fund" to which shall be credited net lottery revenues transferred in accordance
22		with KRS 154A.130; gifts; bequests; endowments; grants from the United States
23		government, its agencies, and instrumentalities; and funds received from any other
24		sources, public or private.
25	(2)	The moneys in the fund are hereby continuously appropriated only for the purposes
26		set forth in KRS 164.7871 to 164.7885 and KRS 164.7889.
27	(3)	The <u>authority</u> [council] shall administer the Kentucky educational excellence

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- scholarship trust fund. Upon the approval of the council, the authority may expend funds from the Kentucky educational excellence scholarship trust fund that are necessary and reasonable to meet the expenses of administering the Kentucky educational excellence scholarship trust fund.]
- Section 3. KRS 164.7879 is amended to read as follows: 5

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6 (1) Kentucky educational excellence scholarship awards shall be based upon an 7 established base scholarship amount and an eligible high school student's grade point average. The base scholarship amount for students attaining a grade point average of at least 2.5 for the 1998-1999 academic year shall be as follows: 9

10	GPA	Amount	GPA	Amount
11	2.50	\$125.00	3.30	\$325.00
12	2.60	\$150.00	3.40	\$350.00
13	2.70	\$175.00	3.50	\$375.00
14	2.75	\$187.00	3.60	\$400.00
15	2.80	\$200.00	3.70	\$425.00
16	2.90	\$225.00	3.75	\$437.00
17	3.00	\$250.00	3.80	\$450.00
18	3.10	\$275.00	3.90	\$475.00
19	3.20	\$300.00	4.00	\$500.00
20	3.25	\$312.00		

- The authority[council] shall review the base amount of the Kentucky educational excellence scholarship beginning with the 1999-2000 academic year and each academic year [thereafter] and may promulgate an administrative regulation to make adjustments after considering the availability of funds.
- The authority shall commit to provide to each eligible high school student the (2) (a) 25 base amount of the Kentucky educational excellence scholarship for each 26 academic year of high school study in the Kentucky educational excellence 27

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scholarship curriculum that the high school student has attained at least a 2.5 grade point average. The award shall be based upon the eligible high school student's grade point average at the close of each academic year. An award attributable to a past academic year shall not be increased after the award has been earned by an eligible high school student, regardless of any subsequent increases made to the base amount of the Kentucky educational excellence scholarship through the promulgation of an administrative regulation by the *authority*[council].

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(b)

- Notwithstanding the definitions of "eligible high school student" and "high school" in KRS 164.7874, any high school student who maintains Kentucky residency and completes the academic courses that are required for a Kentucky educational excellence scholarship while participating in an approved educational high school foreign exchange program or participating in the United States Congressional Page School may apply his or her grade point average for that academic year toward the base as described in paragraph (a) of this subsection. The grade point average shall be reported by the student's Kentucky home high school, based on an official transcript from the school that the student attended during the out-of-state educational experience. The authority[council] shall promulgate administrative regulations that describe the approval process for the educational exchange programs that qualify under this paragraph. The provisions in this paragraph shall likewise apply to any Kentucky high school student who participated in an approved educational exchange program or in a Congressional Page School since the 1998-99 school year and maintained his or her Kentucky residency throughout.
- (c) 1. Notwithstanding the definitions of "eligible high school student" and "high school" in KRS 164.7874 and the requirement that a student

1				graduate from a Kentucky high school, a high school student who
2				completes the KEES curriculum while attending an accredited out-of-
3				state high school or Department of Defense school may apply the grade
4				point average for any applicable academic year toward the base as
5				described in paragraph (a) of this subsection and shall also qualify for a
6				supplemental award under subsection (3) of this section when:
7				a. His or her custodial parent or guardian is in active service of the
8				Armed Forces of the United States; and
9				b. The custodial parent or guardian maintained Kentucky as the home
0				of record at the time the student attended an accredited out-of-state
1				high school or a Department of Defense school.
2			2.	The student or parent shall arrange for the out-of-state school to report
13				the student's grade point average each academic year and the student's
4				highest ACT score to the <u>authority</u> [Kentucky Department of Education]
15				as required under KRS 164.7885. The <u>authority</u> [Council on
16				Postsecondary Education] shall promulgate administrative regulations
17				implementing the requirements in this paragraph, including:
18				a. The documentation that the parent shall submit to the
9				authority[council] establishing the student's eligibility for the
20				scholarship; and
21				b. The assurances that an out-of state institution shall submit to the
22				authority[Kentucky Department of Education for submission] of
23				the student grade point average.
24			3.	The provisions in this paragraph shall apply to the 2001-2002 school
25				year and thereafter.
26	(3)	(a)	The	authority shall commit to provide to each eligible high school student
27			erad	tuating from high school before June 30, 1999, and achieving a score of at

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least 15 on the American College Test, a supplemental award for the award period beginning in the fall of 1999, based on the eligible high school student's highest ACT score attained by the date of graduation from high school. The amount of the supplemental award shall be determined as follows:

Annual	ACT	Annual	ACT
Bonus	Score	Bonus	Score
\$171	22	\$21	15
\$193	23	\$43	16
\$214	24	\$64	17
\$236	25	\$86	18
\$257	26	\$107	19
\$279	27	\$129	20
\$300	28 or above	\$150	21

Subsequent supplemental awards for eligible high school students graduating before June 30, 1999, shall be determined in accordance with the provisions of paragraph (b) of this subsection.

(b) The authority shall commit to provide to each eligible high school student upon achievement after June 30, 1999, of an ACT score of at least 15 on the American College Test a supplemental award based on the eligible high school student's highest ACT score attained by the date of graduation from high school. The amount of the supplemental award shall be determined as follows:

23	ACT		ACT	
24	Score	Amount	Score	Amount
25	15	\$36	22	\$286
26	16	\$71	23	\$321
27	17	\$107	24	\$357

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1	18	\$143	25	\$393
2	19	\$179	26	\$428
3	20	\$214	27	\$464
4	21	\$250	28 and above	\$500

The <u>authority</u>[council] shall review the base amount of the supplemental award beginning with the 2001-2002 academic year and each academic year thereafter and may promulgate an administrative regulation to make adjustments after considering the availability of funds.

(c) The <u>authority</u>[council] shall promulgate administrative regulations establishing the eligibility criteria and procedures for making a supplemental award to Kentucky residents who are citizens, nationals, or permanent residents of the United States and who graduate from a nonpublic secondary school not certified by the Kentucky Board of Education and Kentucky residents who are citizens, nationals, or permanent residents of the United States and who obtain a General Educational Development (GED) diploma within five (5) years of their high school graduating class, and students under subsection (2)(c) of this section who do not attend an accredited high school.

Section 4. KRS 164.7881 is amended to read as follows:

Eligible high school students who have graduated from high school and eligible postsecondary students who have earned a Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and a supplemental award, or a supplemental award only pursuant to KRS 164.7879(3)(c), shall be eligible to receive the Kentucky educational excellence scholarship, the Kentucky educational excellence scholarship and the supplemental award, or a supplemental award only for a maximum of eight (8) academic terms in an undergraduate or other postsecondary program of study at a participating institution, except as provided in subsection (6) of this section.

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- 1 (2) To receive the Kentucky educational excellence scholarship, a Kentucky
 2 educational excellence scholarship and supplemental award, or a supplemental
 3 award only, an eligible high school or postsecondary student shall:
- 4 (a) Enroll in and attend a participating institution as a full-time student or a part-5 time student; and
- 6 (b) Maintain eligibility as provided in subsection (3) of this section.

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- 7 (3) Eligibility for a Kentucky educational excellence scholarship or a Kentucky 8 educational excellence scholarship and supplemental award shall terminate upon the 9 earlier of:
- 10 (a) The expiration of five (5) years following the student's graduation from high 11 school, except as provided in subsection (5) or (6) of this section; or
 - (b) The successful completion of an undergraduate or other postsecondary course of study. However, any student who successfully completes the requirements for a degree or certification involving a postsecondary course of study that normally requires less than eight (8) academic terms to complete may continue to receive the benefits of a Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and supplemental award, or a supplemental award only, for a cumulative total of eight (8) academic terms if the student enrolls as at least a part-time student in a four (4) year program.
- 21 (4) (a) The maximum award amount shall be determined by the <u>authority</u> [council]
 22 and shall be adjusted as provided in this subsection. The award amount
 23 ultimately determined to be available to an eligible postsecondary student for
 24 an award period shall be delivered by the authority to the participating
 25 institution for disbursement to the eligible postsecondary student.
- 26 (b) The authority shall, by promulgation of administrative regulations, provide for 27 the proportionate reduction of the maximum award amount for an eligible

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postsecondary student for any academic term in which the student is enrolled on a part-time basis. Each academic term for which any scholarship or supplemental award funds are accepted by an eligible postsecondary student shall count as a full academic term, even if the award amount was reduced to reflect the part-time status of the eligible postsecondary student, except if the eligible postsecondary student interrupts enrollment during the award period for any reason specified in subsection (5) of this section, and the participating institution does not certify a cumulative grade point average for that student at the end of that award period.

- (c) 1. An eligible postsecondary student who is enrolled full-time in an undergraduate program of study, in the pharmacy program at the University of Kentucky, or in a program of study designated as an equivalent undergraduate program of study by the <u>authority</u>[Council on Postsecondary Education] in an administrative regulation, shall receive the maximum award amount for the first award period that the student is enrolled in and attending the program of study.
 - 2. To retain the maximum award for the second award period, an eligible postsecondary student shall have at least a 2.5 grade point average at the end of the first award period, except that if the eligible postsecondary student interrupts enrollment during the award period for any reason specified in subsection (5) of this section, and the participating institution does not certify a cumulative grade point average for that student at the end of that award period, the eligible postsecondary student shall, subject to paragraph (b) of this subsection, retain the maximum award for the award period in which he or she resumes enrollment.
 - 3. To retain the maximum award amount for subsequent award periods, an

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eligible postsecondary student shall have a cumulative grade point average of 3.0 or greater at the end of the prior award period, except that if the eligible postsecondary student interrupts enrollment during the award period for any reason specified in subsection (5) of this section, and the participating institution does not certify a cumulative grade point average for that student at the end of that award period, the eligible postsecondary student shall, subject to paragraph (b) of this subsection, retain the same award for the award period in which he or she resumes enrollment as he or she received in the award period in which enrollment was interrupted.

- 4. Any eligible postsecondary student who maintains a cumulative grade point average of less than 3.0 but at least 2.5 at the completion of any award period shall receive a reduction in the maximum award amount equal to fifty percent (50%) of the maximum award amount for the next award period.
- Any eligible postsecondary student who maintains a cumulative grade 5. point average of less than 2.5 at the completion of any award period shall lose his or her award for the next award period.
- 6. Each participating institution shall certify to the authority at the close of each award period the cumulative grade point average of each Kentucky educational excellence scholarship recipient enrolled as a full-time or part-time student at the participating institution.
- Any student who loses eligibility through failure to maintain the 7. required cumulative grade point average may regain eligibility in a subsequent award period upon reestablishing at least a 2.5 cumulative grade point average or its equivalent during a subsequent award period, as certified by the participating institution.

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- 1 (5) The expiration of a student's eight (8) academic terms and five (5) year eligibility
 2 shall be extended by the authority upon a determination that the student was unable
 3 to enroll for or complete an academic term due to any of the following
 4 circumstances:
- 5 (a) A serious and extended illness or injury of the student, certified by an attending physician;

- (b) The death or serious and extended illness or injury of an immediate family member of the student, certified by an attending physician, which would render the student unable to attend classes;
 - (c) Natural disasters that would render a student unable to attend classes; or
- (d) Active duty status for the student in the United States Armed Forces or as an officer in the Commissioned Corps of the United States Public Health Service, or active service by the student in the Peace Corps Act or the Americorps, for up to three (3) years.
 - An eligible postsecondary student who is enrolled at a participating institution in a five (5) year undergraduate degree program designated in an administrative regulation promulgated by the <u>authority</u>[council] shall be eligible to receive the Kentucky educational excellence scholarship, the Kentucky educational excellence scholarship and the supplemental award, or the supplemental award only for a maximum of ten (10) academic terms. The expiration of an eligible postsecondary student's five (5) year eligibility shall be extended to six (6) years for eligible postsecondary students meeting the requirements of this subsection.
- (7) Each eligible high school student who attains a 28 or above on the ACT and a 4.0 grade point average for all four (4) years of high school shall be designated as a "Senator Jeff Green Scholar" in honor of the late Senator Jeff Green of Mayfield, Kentucky, First District, and shall be recognized by the high school in a manner consistent with recognition given by the high school to other high levels of

academic achievement.

- 2 Section 5. KRS 164.7883 is amended to read as follows:
 - An eligible student who has earned a Kentucky educational excellence scholarship, or the Kentucky educational excellence scholarship and the supplemental award, and who is enrolled in an out-of-state institution shall be eligible to receive the Kentucky educational excellence scholarship, or the Kentucky educational excellence scholarship and the supplemental award, if he or she is enrolled in a degree program in a field of study that is not available at any participating institution in the Commonwealth. The *authority*[Council—on—Postsecondary—Education] shall promulgate administrative regulations to establish procedures to designate an out-of-state institution as an approved participating institution as defined in KRS 164.7874 and to notify the Kentucky Higher Education—Assistance—Authority of its approval] to transfer to the out-of-state institution the amount of the scholarship and supplemental award earned by the eligible student.
- Section 6. KRS 164.7885 is amended to read as follows:
 - Not later than August 1, 1999, and each June 30 thereafter, each Kentucky high school shall submit to the Kentucky Department of Education, which shall transmit tel the authority, a compiled list of all high school students during the academic year. A high school shall report the grade point average of an eligible high school student pursuant to KRS 164.7874 by January 15 following the end of the fall academic term in which the student completed the high school graduation requirements. The list shall identify the high school and shall contain each high school student's name, Social Security number, address, grade point average for the academic year, expected or actual graduation date, and highest ACT score. The list need not contain the ACT score if the authority receives the ACT score directly from the testing services. The authority shall notify each eligible high school student of his or her Kentucky educational excellence scholarship award earned each academic year. The authority shall determine the final Kentucky educational

1	excellence scholarship and supplemental award based upon the actual final grade
2	point average and highest ACT score and shall notify each eligible twelfth-grade
3	high school student of the final determination. The authority shall make available a
4	list of eligible high school and postsecondary students to participating institutions.

- The authority shall provide data access only to participating institutions that have either received an admission application from an eligible high school or postsecondary student or have been listed by the eligible high school or postsecondary student on the Free Application For Federal Student Aid.
- 9 (3) For each eligible postsecondary student enrolling in a participating institution after

 10 July 1, 1999, the participating institution shall verify to the authority:

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- (a) The student's initial eligibility for a Kentucky educational excellence scholarship, Kentucky educational excellence scholarship and supplemental award, or supplemental award only pursuant to KRS 164.7879(3)(c) through the comprehensive list compiled by the authority or an alternative source satisfactory to the authority;
- (b) The student's highest ACT score attained by the date of graduation from high school, provided that the participating institution need not report the ACT score if the authority receives the ACT score directly from the testing services;
- (c) The eligible postsecondary student's full-time or part-time enrollment status at the beginning of each academic term; and
- 21 (d) The eligible postsecondary student's cumulative grade point average after the 22 completion of each award period.
- 23 (4) Each participating institution shall submit to the authority a report, in a form
 24 satisfactory to the authority, of all eligible postsecondary students enrolled for that
 25 academic term. Kentucky educational excellence scholarships and supplemental
 26 awards shall be disbursed by the authority to each eligible postsecondary student
 27 attending a participating institution during the academic term within thirty (30) days

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1		after receiving a satisfactory report.
2 .	(5)	The Kentucky educational excellence scholarship and the supplemental award shall
3		not be reduced, except as provided in KRS 164.7881(4).
4	(6)	Kentucky educational excellence scholarships and supplemental awards shall not be
5		awarded or disbursed to any eligible postsecondary students who are:
6		(a) In default on any loan under Title IV of the federal act; or
7		(b) Liable for any amounts that exceed annual or aggregate limits on any loan
8		under Title IV of the federal act; or
9		(c) Liable for overpayment of any grant or loan under Title IV of the federal
10		act; or
11		(d) In default on any obligation to the authority under any programs administered
12		by the authority until financial obligations to the authority are satisfied, except
13		that ineligibility may be waived by the authority for cause.
14	(7)	Notwithstanding the provisions of KRS 164.753, the authority may promulgate
15		administrative regulations for the administration of Kentucky educational
16		excellence scholarships and supplemental awards under the provisions of KRS
17		164 7871 to 164 7885 and KRS 164 7889

Speaker-House of Representatives

President of the Senate

Attest:

Chief Clerk of House of Representatives

Approved

Governor

Date Merch 18, 2005